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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 10/26/07

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ARTICLES:

(1) "Continuing refueling operations is difficult," Yachi tells Negroponte

YOMIURI NET (Full)
13:32, October 26, 2007

Yuichi Suzuki, Washington

Vice Foreign Minister Shotaro Yachi, now visiting the United States, met with Deputy Secretary of State John Negroponte at the State Department on the morning of Oct. 25 (before dawn on Oct. 26, Japan time) in which he indicated that it would be inevitable to temporarily halt the Maritime Self-Defense Force's refueling operations in the Indian Ocean.

Regarding the new antiterrorism legislation to continue the refueling operations, Yachi said: "Other opposition parties, including the Democratic Party of Japan, and are opposed it, so the environment surrounding Diet deliberations is extremely severe." Negroponte noted, "The international community as a whole is strongly hoping that Japan will continue providing fuel."

(2) Japan plans North Korea policy course change toward dialogue: Assistance possible if progress on abductions issue

ASAHI.COM (Full)
October 26, 2007

In order to break the impasse in Japan-North Korea relations, the government has firmed up its intention to consider a removal of

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sanctions in stages and the providing of assistance depending on North Korea's responses on the nuclear and missile issues and if what can be taken as "progress" on the abduction issue occurs, such as the repatriation to Japan of some of the abductees. The policy course takes into consideration the intentions of Prime Minister Fukuda, who has placed emphasis on dialogue with the DPRK, and reflects a switch in policy away from the hard-lined stance of the Abe administration to a dialogue line.

Foreign Minister Komura, meeting the press today after the cabinet meeting, said, "It is clear that if even some (of the abducted victims) return to Japan, that will be progress." He continued: "If there is progress, we, too, will take actions in response to the level of that progress. That is only natural if relations are to improve between Japan and the DPRK." He suggested that depending on North Korea's responses, there was the possibility of considering easing sanctions measures and providing economic assistance.

Until now, the government has been vague about defining "progress," but the aim now is to urge compromise on the part of North Korea, which has taken a hard-nosed stand on the abduction issue. One can say that the Japanese government has shifted policy in order to bring about in the end a repatriation of all (abductees) who remain alive, which the Japanese has presented as a condition for the normalization of relations between Japan and North Korea. This will apparently become subject to discussion in the upcoming working-group meeting between Japan and the DPRK.

(3) Okinawa Defense Bureau chief reveals US plan to build CALA at Futenma alternative facility; Enhancement of functions becomes clear

RYUKYU TIMES (Page 2) (Full)
October 26, 2007

Okinawa Defense Bureau Director-General Akira Kamata in a regular press meeting on Oct. 25 admitted that the US military is planning to build a combat aircraft loading area (CALA) at the facility replacing Futenma Air Station. Although the plan has already been revealed through a US government document, this is first time that a Japanese government source has admitted it. Futenma Air Station is

not equipped with such a facility. It has become clear that base functions would be enhanced in addition to the relocation. Kamata also said about the large (214-meter-long) quay specified in the US government document: "As far as what was confirmed with the Defense Ministry, there is no plan to build a quay capable of functioning as a military port."

The construction of a CALA at the alternative facility is not included in the final agreement reached at the Japan-US talks in May 2006. Futenma Air Station has the (1) heliport function to transport troops, (2) air-tanker operational function, and (3) emergency use function. The agreement says that of them, only the heliport function will be moved to the new facility.

Kamata said: "Of the three functions of Futenma Air Station, the idea of relocating just the heliport function is correct. As for Futenma Air Station, ammunition is now loaded at Kadena Air Base. Because the operations are expected to be hampered due to the relocation (of the heliport function) to the Henoko district, (a CALA) will be built at the new site."

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The function and equipment that were not revealed initially will now be increased following the deployment of Ospreys, the US next-generation mainstay transport aircraft. Once a CALA is built, helicopters and Ospreys that are loaded at the alternative facility might fly over Nago City and Higashi Village. A local backlash is inevitable.

To a question asking whether fighters will be loaded with ammunition as well, an Okinawa Defense Bureau official said, "We hear helicopters will be loaded with ammunition."

Kamata also indicated that the ministry has sent to Gov. Hirokazu Nakaima an outline of local views regarding a notice specifying the details of an environment assessment for building the alternative facility. He said: "We will collect objective data in the assessment process and politely explain the results to the prefectural and local governments."

In addition, about the construction of a US Army firing range at Range 3 on Camp Hansen in Kin Town, Kamata noted, "The US military informed us on October 2 that it has completed a contract with a contractor."

A CALA is a place to load aircraft with missiles and other ammunition. US military regulations stipulate that in building a CALA, a certain distance must be kept from residential areas and the like. Futenma Air Station does not have a CALA due to the difficulty keeping a safe distance.

(4) Japan's Burma policy nowhere in sight: Harsh views from within and outside country on continuation of aid

SANKEI (Page 6) (Full)
October 26, 2007

Video journalist Kenji Nagai was gunned down while filming demonstrations in Burma. Following the incident, the Japanese government took a stance of protesting to Burma by canceling one aid item. The government does not intend to curtail any more aid programs for humanitarian reasons. However, views from within and outside the country are harsh toward continuation of aid to a nation controlled by a military junta.

Japan provided official development aid (ODA) worth approximately 3 billion yen to Burma since fiscal 2003, combining grant aid and technical cooperation. It once extended a massive amount of grant aid in order to relieve the debt-ridden nation. However, in recent years, it has been focusing on a human resources program and anti-drug measures due to the political situation in Burma.

In extending aid to the nation, the government is attaching importance to measures to prevent infectious diseases, such as malaria. According to statistics issued by the World Health

Organization (WHO), the number of patients affected by malaria reaches approximately 600,000 a year, of whom 3,000 people die of this disease. The Japanese government provided roughly 144 million yen in fiscal 2005 and fiscal 2006 in terms of track record and has earmarked 157 million yen for fiscal 2007-2009.

Commenting on Japan's aid, Masahiro Kumomi, leader of the Major Infectious Diseases Measures Project Team of the Japan International Corporation Agency (JICA) explained, "Japan's aid attaches

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importance to spreading technology, instead of providing equipment. Japan investigates affected people and supply medicines to make up for portions used. It is now in the process of establishing an early discovery and early treatment system, by training nurses."

However, Kei Nemoto, a professor at Sophia University, is skeptical whether people receive pharmaceuticals Japan sent. He said, "Japan should work on the junta to do that job."

Kumomi rebuts this view with assurance, "Since there are persons that take charge of money, it is improbable that money is spent for other purposes." He thus stressed that there is no problem about securing transparency of aid.

One Foreign Ministry official called for continuation of aid from a geopolitical perspective: "The military junta is amazingly inward-looking. However, we cannot abandon a country sandwiched between two powers -- China and India." There is also a deep-rooted view among government officials that since there are persons who will lead the country in the future among technocrats, Japan should continue a program to invite them to Japan.

However, many experts take the position that though Japan's influence had been strong until around 1995, it now has little influence. This view indicates the fact that since Burma is making profits by exporting natural gas, even if Japan stops ODA, its impact would be small, as an official of the Japan External Trade Organization said.

Despite the junta's suppression of demonstrators and Nagai's death, there is no mood for discussing a policy toward Burma in the Diet. One government source made this comment with a sigh, "Above all things, the major problem is that Japan has no Burma policy."

(5) First month of Fukuda cabinet (Part 1): Concern about growing present of Kasumigaseki in Prime Minister's Official Residence

NIKKEI (Page 2) (Full)
October 25, 2007

The Fukuda cabinet will mark the first month tomorrow since its inauguration. Prime Minister Yasuo Fukuda has been trying to get through the current extraordinary Diet session, while taking a low profile. But enacting quickly the new legislation to continue the Maritime Defense Force's (MSDF) refueling operation in the Indian Ocean has become a hopeless situation. With the shadowy presence of the bureaucracy in the background, Fukuda has found it difficult to lead the opposition camp, having in mind the next House of Representatives election.

"What should I say about the consumption tax issue?" Fukuda telephoned Nobumitsu Hayashi, former director of the Finance Ministry's Overall Coordination Division, on Sept. 13, the day before Fukuda announced his candidacy for the presidential election of the ruling Liberal Democratic Party (LDP). Hayashi, who was a secretary to then Chief Cabinet Secretary Fukuda, immediately

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brought him a paper detailing how to respond to the questions. Assisted by Hayashi and Kimihiro Ishigane of the Ministry of Foreign Affairs (MOFA), Fukuda came up with an administrative concept and the goals of the cabinet. Fukuda has neither a right-hand man nor a close aide in political circles. Although Chief Cabinet Secretary Nobutaka Machimura is an advisor to Fukuda in the foreign policy

area, he has been at Fukuda's side for only one month. They reportedly have a businesslike relationship. Given that fact, it is only natural for Fukuda to use the bureaucracy in consideration of his strategy of playing up stability and a sense of balance.

Fukuda eats dinner at his private residence almost always with his secretaries. He invited on Oct. 19 senior ruling coalition members

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for the first time to the Prime Minister's Official Residence. He spent almost one month just dealing with day-to-day duties.

The influence of the Finance Ministry has grown over the past one month, exceeding Fukuda's expectation. The typical example is the government-ruling coalition consultative council on social security and tax system reform, which held its first meeting on Oct. 22.

Although the purpose of the establishment of the council is to strengthen ties between the government and the ruling camp, it is clear that the aim is to exclude the Council on Economic and Fiscal Policy. It can be said that the real purpose of the council is that the Finance Ministry together with senior ruling camp members control discussions by excluding private-sector persons. The advisory council is modeled after the council on fiscal and structural reform in the Hashimoto government. The Hashimoto government raised the consumption tax to 5 PERCENT following the council's recommendation; as a result, the ruling Liberal Democratic Party (LDP) suffered a crushing defeat in the 1998 Upper House election. In the Oct. 22 meeting, when LDP Upper House Chairman Hidehisa Otsuji said, "I wonder why there is only 30 minutes for the tax-rate issue, which is supposed take a lot of time, even for just discussing the national burden," Machimura and Finance Minister Fukushima Nukaga changed their countenances.

It is ironic that the bureaucratic organization, on which Fukuda relies, is putting the skids to his government. In addition to a series of scandals involving the Defense Ministry, it was discovered that the Health, Labor and Welfare Ministry had left documents listing the names of patients who had contracted hepatitis-C caused by contaminated blood products. In a meeting on the night of Oct. 22 with his secretaries, Fukuda raised his voice: "What happened with you, bureaucrats? I don't understand!"

In a meeting on the evening of the 24th with senior LDP prefectural chapter members, the prime minister brought on laughter by saying: "I have bowed my head every day. How long should I have to do this? I want to do something that will make you happy." How will Fukuda display his own political imprint in a way that would attract the public? There is not much time to lose.

(6) Prime Minister Fukuda after one month in office still a "safe driver" with no reference to his vision of the state

SANKEI (Page 5) (Excerpts)
October 25, 2007

Since he came into office on Sept. 26, a month ago, Prime Minister Yasuo Fukuda has continued to take a low-posture approach to the opposition camp, reflecting the state of the reversal of strengths between the ruling and opposition parties in the House of Councilors. Uncertainty is looming over the fate of the government's antiterrorism special measures bill due to the Democratic Party of Japan's (DPJ) unclear stance, but the prime minister has shown no intent to display his leadership in managing policies and Diet

business, apparently trying to play the role of a "safe driver." Calling his cabinet as having "its back to the wall," Fukuda is moving ahead by avoiding anything that would have a "Fukuda policy imprint."

On the policy front, the prime minister has set forth such vague principles as recovery of public trust in politics and has come up

with a slogan, "independence and coexistence," but his specific policies remain unknown. An aide to the prime minister said: "He has entirely entrusted Diet business, including legislation, to the ruling coalition."

The prime minister, though, has indicated his eagerness to extend the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean and to resolve the issue of Japanese nationals abducted by North Korea. In contrast, he has made no remarkable statements on issues related to his vision of the state, such as educational reform and constitutional revision, which former Prime Minister Shinzo Abe tackled, and the issue of whether to allow the Self-Defense Force to use the right to collective self-defense rights. A mid-ranking LDP official commented: "He is trying to remove the Abe policy imprint while keeping silent about his own."

The Council on Economic and Fiscal Policy in a meeting on Oct. 17 presented a provisional calculation calling for a hike in the consumption tax, implying a policy switch to tax increases.

The actual situation is that the government has tolerated rollback operations by the bureaucracy, which is opposed to administrative reform that the former Abe administration espoused. Fukuda has repeatedly said that the government will study in a cautious manner such ideas as establishing a human-resource agency to take care of reemployment of retired bureaucrats and abolishing the career system for national public servants. An official of the Prime Minister's Official Residence (Kantei) explained: "The prime minister is a good listener and a commonsense person. He is still in a stage of intently listening to others talk."

In the LDP, a former cabinet minister said: "Colorlessness is the Fukuda cabinet's policy identity." But Chief Cabinet Secretary Nobutaka Machimura remarked in a press conference yesterday: "Preparations are underway for the cabinet to be able to gradually demonstrate its own policy identity. The cabinet will pour its energies not into work under deadlines, but into tasks whose results can be positively dispatched."

Fukuda strengthening defense to dodge opposition's attacks

By Atsuo Ito, political analyst

Prime Minister Yasuo Fukuda devoted himself to buttressing his defenses over the past month in an effort to minimize major setbacks, without aiming at attaining a score. Fukuda is doing well in a sense, given the state of the reversal of strengths between the ruling and opposition parties. The DPJ must see Fukuda as a person difficult to attack.

Despite the disclosure of a series of scandals, including cozy ties between former Vice Defense Minister Takemasa Moriya and a defense contractor, a data error of records of MSDF refueling, and the issue of tainted blood that caused hepatitis, public criticism of the Fukuda administration has not escalated. His low profile and posture

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of good deception have worked somewhat effectively.

Under the Koizumi and Abe administrations, theater-type politics were carried out for about six and a half years. The people are now tired of going to the theater. Fukuda, taking advantage of this trend, seems to be trying to keep the people less interested in politics. The Prime Minister Fukuda is resorted to the possibility of the LDP losing a considerable number of its seats in the next House of Representatives election. For him, the most important challenge is to reduce the number of lost seats.

The prime minister's strategy of resorting to an exclusive defense-oriented policy is a major gamble for the government. There is no guarantee for the administration to be able to ride under the current momentum into the election given the current situation. It is also unlikely that the prime minister, who has no clear-cut political ideology, will put forth a patchwork ideology or play up his political leadership. The Fukuda administration's fate might depend on the outcome of a match of endurance between the prime

minister and the people.

(7) Personal network of Prime Minister Yasuo Fukuda (Sapio 10/24/2007 p39)

(8) TOP HEADLINES

Asahi:

Record low of 70 PERCENT of beds being used at public hospitals:
Internal Affairs Ministry to issue guidelines to improve management

Mainichi:

Information remaining credit: 3 trillion yen not registered,
providing breeding ground for excessive credit contracts

Yomiuri:

English language school NOVA to file for protection under the
bankruptcy law with debts exceeding 50 billion yen: President
Samadhi to be dismissed possibly today

Nikkei:

Government comes up with new policy to find breakthrough in
stalelated Japan-DPRK relations; Extending assistance in stages, if
progress is made on abduction and nuclear issues

Sankei:

US ambassador to Japan tells president not to remove DPRK from US
list of state sponsors of terrorism, creating ripples in
reconciliation policy

Tokyo Shimbun:

Former Yamada Corp. managing director also treated former Defense
Minister Kyuma to inaugural dinner in December last year

Akahata:

Medical insurance fees to tope 80,000 a year on average under new
medical service system for elderly people aged 75 or older

(9) EDITORIALS

Asahi:

- (1) False food labeling is no longer acceptable
- (2) Global financial uncertainty: Root cause is US deficit

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Mainichi:

- (1) Former Meat Hope president under arrest: Root out false labeling
of food products
- (2) New antiterror legislation: Law is not necessary if discussion
based on conventional wisdom is accepted

Yomiuri:

- (1) Candidates for lay judges: Can they decline nomination, citing
their thought and belief?
- (2) Kim Dae Jung abduction incident: Abduction by any country is
violation of sovereignty

Nikkei:

- (1) Council on Economic and Fiscal Policy also proposes adopting tax
formula for paying pension benefits from government coffer
- (2) Government should admit its fault and take hepatitis measures

Sankei:

- (1) One month since Fukuda taking office as prime minister: Trial
period over
- (2) Probing the moon by China: It is questionable if its aim is to
explore resources and boost national prestige

Tokyo Shimbun:

- (1) One month since Fukuda taking office as prime minister:
Controlling the bureaucracy pending issue
- (2) Motor show: Development of eco-cars visible

Akahata:

- (1) Results of nationwide academic performance test: Face danger of

eroding education

(10) Prime Minister's schedule, October 25

NIKKEI (Page 2) (Full)
October 26, 2007

09:18

Attended a national secretaries general and policy research council
chairmen meeting held at the Grand Prince Hotel Akasaka.

10:17

Met former Prime Minister Mori at the Kantei.

11:04

Met LDP Comprehensive Agricultural Administration Research
Commission Chairman Hori, followed by Natural Resources and Energy
Agency Director-General Mochizuki.

12:16

Met Chief Cabinet Secretary Machimura.

13:48

Attended the Autumn Imperial Garden Party.

15:39

Met JA Zenchu President Miyata at the Kantei in the presence of
Machimura.

16:10

Met National Police Agency Director-General Yoshimura. Afterward

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talked with Prime Minister Prodi of Italy on the phone. Later met
Cabinet Intelligence Director Mitani.

18:17

Attended a Council on Economic and Fiscal Policy meeting.

20:01

Arrived at his residence in Nozawa.

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